

Message Text

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ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 L-03 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 EUR-12 XMB-02
/045 W

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R 141228Z MAR 77
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC 7495
INFO AMEMBASSY ABU DHABI
AMEMBASSY AMMAN
AMEMBASSY DOHA
AMCONSUL DHAHRAN
AMEMBASSY JIDDA
AMEMBASSY MANAMA
AMEMBASSY MUSCAT
AMEMBASSY ROME
AMEMBASSY TEHRAN
USINT BAGHDAD

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ROME FOR RCAA

E.O. 11652: NA
TAGS: EAIR KU
SUBJECT: KUWAIT CIVIL AVIATION: MERGER POSSIBILITIES

REF: (A) KUWAIT 645 (NOTAL, (B) MANAMA 249, (C) KARACHI 930

1. PRESS HERE HAS BEGUN TO REPORT RENEWED GOK INTEREST
IN LINKING UP KUWAIT AIRWAYS COPORATION WITH OTHER ARAB
AIRLINES IN THE REGION. EARLY FEBRUARY ARTICLE REPORTED
ON JANUARY 24 MEETING OF KAC, ALIA, AND GULF AIRLINES TOP
MANAGEMENT OFFICIALS (REF B PARA 3). ARTICLE QUOTED UNNAMED
SOURCES TO THE EFFECT THAT DISCUSSIONS CENTERED ON ESTABLISH-
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MENT OF AIRLINE POOL SIMILAR TO THAT ALREADY SET UP BETWEEN
ALIA AND SYRIAN AIRLINES FOR FLIGHTS TO NEW YORK. ARTICLE
NOTED THAT POOL PROPOSAL WOULD TAKE ADVANTAGE OF PAN AM
FLIGHT TO BAHRAIN, IN THAT AMERICAN CARRIER NOW OPERATES
REGULARLY TO REGION. ARTICLE ALSO PREDICTED "LONG
DIFFICULT" NEGOTIATIONS AMONG PARTNERS BEFORE POOL ARRANGE-
MENT COULD BECOME A REALITY.

2. EMBOFF DISCUSSED ABOVE REPORT WITH KAC PLANNING DIRECTOR YOUSEF AL-JASSEM, WHO CONFIRMED THAT MEETING TOOK PLACE, BUT SAID THAT POOL ARRANGEMENT WAS NOT SPECIFICALLY DISCUSSED. AL-JASSEM DID OBSERVE THAT KAC HAS BEEN DIRECTED BY GOK TO PREPARE A PRILIMINARY REPORT ON ENTIRE QUESTION OF DEVELOPING KAC SERVICE TO NEW YORK, INCLUDING REQUEST TO USG FOR BILATERALS.

3. IN MID-FEBRUARY LOCAL PRESS ALSO REPORTED THAT GULF STATE MINISTERS WOULD MEET IN MARCH TO DISCUSS MERGING KUWAIT AIRWAYS WITH GULF AIRWAYS. REPORT MENTIONED A WORKING PAPER BEING DRAWN UP BY GOK MINISTRY OF COMMUNICATIONS OUTLING PROPOSED MERGER WHICH WOULD CONSIST OF A SINGLE BOARD OF DIRCTORS, HEADQUARTERED IN KUWAIT. THOUGH PRESS REPORT INDICATES GULF AIR EXPECTATIONS (REF C PARA 2) AS TO FLEXIBILITY INSOFAR AS HEADQUARTERS IS CONCERNED MAY BE MISPLACED, KAC AIRLINE OFFICIALS HAVE INFORMED EMBOFFS THAT KAC HAS NO STRONG FEELINGS ON MATTER. REFERENCE TO MINISTRY OF COMMUNICATION (PREVIOUSLY UNINVOLVED IN CIVIL AVIATION MATTERS) MAY INDICATE LESSENE KAC STATUS FOLLOWING RECENT KAC MANAGEMENT CHANGES.

4. COMMENT: RECENTLY-INAUGURATED PAN-AM AND TWA SERVICE TO GULF MAY HAVE SPARKED RENEWED INTEREST ON PART OF GOK IN MERGER WITH GULF AIR. KAC DESIRES TO OPEN UP A NEW YORK OR WASHINGTON SERVICE ARE LONGSTANDING, BUT IT IS AWARE OF USG POSITION MATTER, I.E. THAT KAC SHOULD JOIN SOME KIND OF POOLING ARRANGEMENT WITH LIMITED OFFICIAL USE

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OTHER REGIONAL AIRLINES. WHATEBER THE STATUS OF GOK-KAC INTEREST, HOWEVER, A GULF-KAC MERGER IS NOT LIKELY TO BE EASY, ESPECIALLY IN LIGHT CONTINUED UNCERTAINTY, OVER KAC POLICIES FOLLOWING RECENT RESIGNATIONS (REF A).
END COMMENT.
MAESTRONE

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 14-Mar-1977 12:00:00 am
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Disposition Approved on Date:
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Disposition Reason:
Disposition Remarks:
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